See how shoppers take to Sears — Page 6

Drug Castle Tampa franchise grows — Page 105

Overmedication of elderly patients — Page IP13

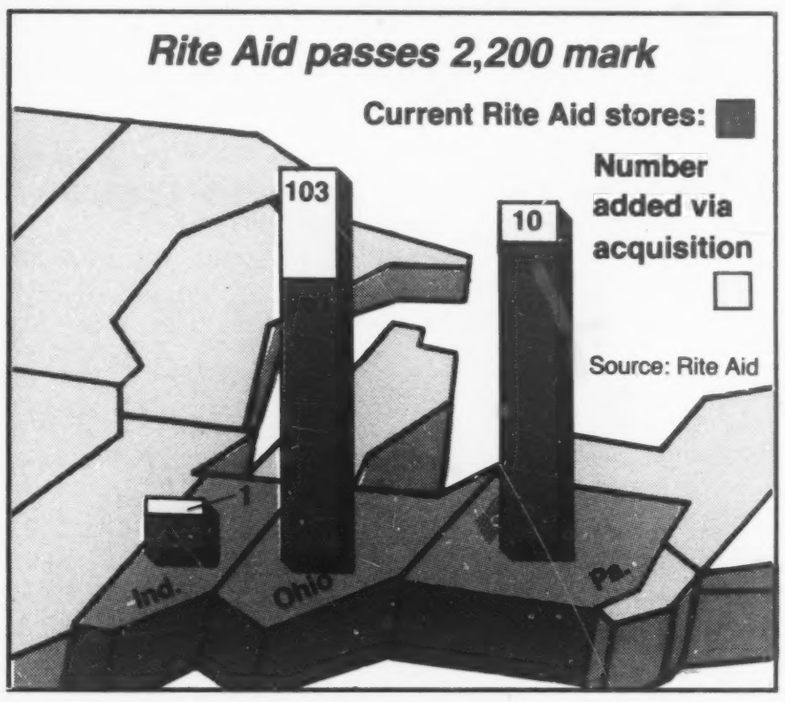
SECOND CLASS

DRUG STORE NEWS

Vol. 11/No. 6 **Our 61st year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. March 20, 1989

Rite Aid to buy 114 Peoples stores

Stores in Ohio, Ind. & Pa. first to go in Imasco's planned 240-store selloff



By Susan Ball

SHIREMANSTOWN, Pa. — Rite Aid Corp. will expand its store presence in Ohio by nearly 50 percent and add units in two other states with its agreement, reached March 2, to buy 114 Peoples (Lane Drug Co.) stores from parent Imasco Ltd.

Although the terms weren't disclosed, a source familiar with the deal estimated Rite Aid will pay between $65 million and $70 million for the units, or roughly $588,000 per store. "That's an attractive price," the source said.

Martin Grass, Rite Aid executive vp, said he could not comment on the price or the source's estimate, but did say, "We're pleased with the price. It's similar to what we paid for other acquisitions."

The transaction would add 103 stores to Rite Aid's 261 units in Ohio, 10 stores (mostly around and south of Erie) to its 294 in Pennsylvania, and one store (in Angola) to its six in Indiana. And it would propel Rite Aid into the No. 1 market position in Canton and Toledo, Ohio, where Peoples has 42.0-percent and 40.8-percent shares, respectively, according to Metro Market Studies. Rite Aid is currently in third position in Canton (with an 18-percent share) and fourth in Toledo (6-percent share).

'We're pleased with the price. It's similar to what we paid for other transactions.'
— Martin Grass
exec. vp, Rite Aid

It would also give Rite Aid a 100,000-square-foot warehouse in Toledo. Rite Aid's Ohio stores are currently served by its warehouse in Nitro, W. Va. Grass said at press time that management planned to

See **Rite Aid,** *page 105*

Phar-Mor pushes west to Denver in 50-unit expansion

ENGLEWOOD, Colo. — Like a retail blitzkrieg, Phar-Mor continues to roll into new markets and shore up market share in what is perhaps the most aggressive expansion pace in drug store retailing. The chain's newest target is Denver, where the first Phar-Mor opened Feb. 22 in this bedroom community south of the city.

The Denver opening marks the farthest point yet in Phar-Mor's drive westward. And as in its past market incursions, the chain will move quickly to capitalize on its newfound presence in the Mile-High City.

"We hope to open three to four stores in the Denver market by the end of the year," said company spokesperson Carol Robinson.

Those openings are part of a planned 50-store expansion in 1989 by the chain, which currently numbers 118 deep-discount drug stores in 18 states.

See **Phar Mor,** *page 105*

Jack F. Schlegel, Pharm.D.
leaves APhA post

APhA launches exec search as Jack Schlegel leaves top spot

By Harold Cohen

WASHINGTON — Jack F. Schlegel, Pharm.D., president and ceo of the American Pharmaceutical Association (APhA) for the past five years, has resigned. A search committee has been created to look for his successor.

Dr. Schlegel's resignation comes just weeks before the association's 136th annual meeting in Anaheim, Calif. According to Tina Pugliese, APhA's public relations director, rumors "started to fly" following Schlegel's surprise announcement of his resignation. Pugliese quickly put such rumors to rest by saying that Schlegel plans to "relax, write and take it easy."

In an interview with *Drug*

See **Schlegel,** *page 105*

Our checkstand survey shows evolving profile of merchandise choices

NEW YORK — Film, batteries, razors and blades are most favored as year-round items at the checkstand.

They have gained at the expense of candy/gum, cigarettes/tobacco and magazines—which are still regarded highly as checkstand items, but have been outstripped by the top three, according to a comparison of *Drug Store News'*

See also p. IP23 for a pharmacy checkstand feature

1989 Checkstand Merchandising Survey with this same study conducted two years earlier.

The checkstand profile changes each year. New categories emerge, as others are trimmed. Videotapes are fairly new here, for instance.

And marketing approaches vary widely. For insights into categories, strategies, and everything you ever wanted to know about checkstand merchandising, see special coverage inside on pages 9 to 14 and page 63.

LATE NEWS

- WOONSOCKET, R.I. — CVS has promoted seven top executives, including: Gary Charboneau to executive vp-marketing; Robert Fiorelli to senior vp-purchasing; Ralph Weisgerber to senior vp-finance; Dennis McMullen to senior vp-real estate; Bradley Voelz to senior vp-warehousing and distribution; Charles Hutchinson to senior vp-human resources, and Thomas Ryan to senior vp-pharmacy.
- NORTHPORT, Ala. — Harco Inc. announced the formation of an Employee Stock Ownership Plan, which is funded solely by company stock or cash. Harco wants to be "the best retail company in the nation for the people who work and shop there," said president Jim Harrison Jr.
- HARRISBURG, Pa. — An investor group led by Alex Grass has acquired Super Rite Foods for $137 million in cash and securities, Dow Jones reported. Grass is chairman of Super Rite and of Rite Aid, which owns 47 percent of the food company.

NEWS IN BRIEF

Ex-Begley employees suing Rite Aid

LEXINGTON, Ky. — Five former Begley Co. employees have brought a class action suit against Rite Aid, charging that they were wrongfully discharged after Rite Aid bought the 43-store company last year.

The suit, filed in Fayette (County) Circuit Court here Feb. 3, seeks unspecified damages against the company. The five plaintiffs include two former warehouse employees, two former store managers and a former truck driver.

Their attorney, Jim M. Alexander of Lexington, said, "Basically, they allege that Rite Aid came in and made promises to Begley employees, many of whom were also

See related story page 1

Begley shareholders, that if they would go along with the takeover and tender their shares, they would keep their jobs."

Attorney Barbara Edelman of Wyatt, Tarrant and Coombs, a Kentucky law firm, who is representing Rite Aid, said, "We deny the allegations. The terminations were totally proper and appropriate, and there is no basis for the lawsuit." Rite Aid had no further comment on the suit.

The Begley warehouse in Richmond, which Rite Aid acquired, has been emptied of drug store merchandise and is currently being used primarily for the former Begley drycleaning business.

Charboneau named CVS exec. vp-mktg.

Charboneau

WOONSOCKET, R.I. — Gary Charboneau has been named executive vp-marketing at CVS. He is responsible for purchasing, advertising and sales development, as well as store merchandising functions, and will continue to report to CVS president Harvey Rosenthal.

Charboneau, who joined CVS in 1978 as director of advertising, was most recently senior vp-marketing.

Charboneau will have primary responsibilty for supporting the growth of the Melville Corp.'s drug retailing division. CVS, which now owns and operates 765 drug and H&BA stores, plans to add 55 to 60 new stores in existing markets in 1989, a company source said.

Will condoms require expiration dates?

ALBANY, N.Y. — Members of the Albany state assembly, by a vote of 125-14, moved to require an expiration date on condom packages, after supporters argued that as condoms get older, their breakage rate increases. The bill also called for a $500 fine for any store owner who sells an old condom to an unobservant consumer.

The legislation, now to go before the senate, refers to condoms stored in heated warehouses or sitting on drug store shelves for long periods of time. The bill, however, doesn't designate a certain length of time before a condom "expires"—that date is made by the manufacturer.

DuBow appointed to Cardinal board

DUBLIN, Ohio — Lawrence J. DuBow was appointed to the board of directors of Cardinal Distribution. DuBow is the founder and former president of Lawrence Pharmaceuticals, Inc., based in Jacksonville, Fla., which was an independent wholesale drug company before its sale to FoxMeyer in 1986.

DuBow founded Lawrence Pharmaceuticals in 1957. He served as chairman of the National Wholesale Druggists' Association (NWDA) in 1986 and is a member of NWDA's senior council.

Bergen switching to one-share one-vote

ORANGE, Calif. — Bergen Brunswig is now moving toward a "one-share one-vote" company with the completion of its recapitalization plan. The drug wholesaler's plan will take control of the company away from the Martini brothers and place it in the hands of the general shareholders by February 1994. Although a lawsuit challenging the move is pending, Bergen said the recap plan was allowed to close.

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Vol. 11, No. 6 March 20, 1989

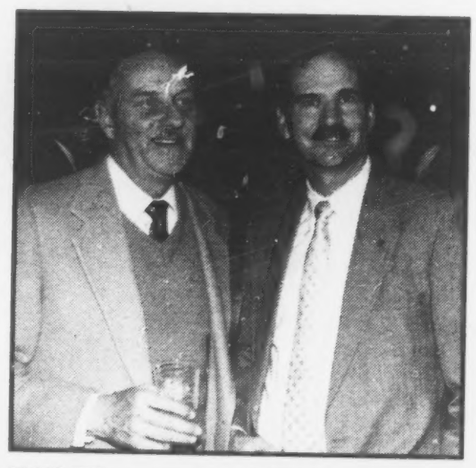
PICTURES IN THE NEWS

Several members of the pharmaceutical industry pose for *Drug Store News/Inside Pharmacy's* camera at NCPDP's annual conference. Pictured from left to right are: Scott Hughes, director of professional relations, 3 P.M./McKesson Corp.; Bruce Campbell, director new product development, Medi-Span; Bill Lockwood Jr., president-publisher, ComputerTalk Associates; Paula Unold, supervisor-operations, and Tom Scott, president, 3 P.M./McKesson Corp.; and Veigh Summers, R.Ph., director of sales, Medi-Span.

Warren Nelson (far left), assistant controller, Jack Eckerd Corp.; Russell Fair, manager, third party pay, Giant Food (second from left) and wife Alexa (far right); and Nola Moon, third party accounting manager, Jack Eckerd Corp.

Bob Shapiro, vp, Perry Drug Stores (left), with Kenneth Anderson R.Ph., vp, director of professional relations, Medicare-Glaser Corp.

Chuck Hauris, manager store systems, Revco Drug Stores (far left), Barbara Reed, manager pharmacy services, Revco Drug Stores (second from left) and James Wright (with wife Helga), technical analyst-government affairs, Revco Drug Stores.



Bill Thompson, pharmacy relations, Blue Shield of California (left) chats with Luigi DeBoni II, consultant to health care industry.

Chuck Reed, group director, customer service, Bergen Brunswig Corp. (left) stands with Richard Cohan, group vp, Health Care, National Data Corp.

Prescription drug program council meeting draws 350 to Scottsdale

SCOTTSDALE, Ariz. — More than 350 people turned out for the 12th Annual Conference of the National Council for Prescription Drug Programs, held here recently.

The group, representing all facets of pharmacy, discussed timely topics facing participants in the third-party prescription arena. Features included a panel discussion on physician's dispensing for profit, an update on integrated electronic messaging, and presentations on the catastrophic Medicare bill. The association, headquartered in Phoenix, has more than 500 active members.

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TRENDS

Pay Less NW, in its prototype, shows it understands the impact of a well-organized checkstand presentation to capture attention and impulse sales.

CHECKSTANDS: Last chance to impress

The place where customers part with their bucks is one of the most heavily studied, and controversial, areas of the drug store.

Methodology of the study

The stories and charts in this special section describe how drug chains are merchandising and managing the checkstand area today. The charts display highlights from *Drug Store News'* Fourth Annual Checkstand Merchandising Study.

As in past years, the survey is based on 60 interviews with those who have direct responsibility for checkstand merchandising decision-making.

From the top 100 drug chains in dollar volume, 15 headquarters executives were interviewed, and from the next 100 another 15.

At each of these chains, interviews were also conducted with one store-level person bearing checkstand responsibility.

By David Vaczek

NEW YORK — The checkstand is the drug store's final chance to impress shoppers and induce them to buy more.

It's no surprise, then, that the checkout area is one of the most heavily studied areas of the store—and one that seems to be remerchandised frequently.

Even high-margin, high-turn checkstand staples such as candy and gum must continuously prove themselves. Surging categories such as batteries and razor blades—which produce high profits and appeal to impulse purchasers—are challenging for space.

Headquarters' merchandise directors, buyers and store managers—not to mention product vendors—all have ideas about what works best. The disagreement extends to whether a heavy inventory is even desirable at the checkout area and around it. Eckerd in the Southeast and most recently Austin Drug in Long Island, N.Y. have shown a recent preference for less cluttered checkstand areas, for convenience and easy access.

Most chains, though, favor using the counter, endcap and floorstand displays at checkstands for maximum sales impact. After all, that 50 cent-candy bar multiplied by 5,000 weekly customers, and then again by perhaps 200 stores is nothing to sneeze at—even less so if its margin is 50 percent.

"It's your last opportunity to make your customer happy and give her the opportunity to spend a little extra money," said Bob Little, Big B's vp-operations.

"It's got to be attention-getting, and something all your customers will consider buying," Little adds.

The need to buttonhole the on-the-go customer, and a concern to send a positive health image have influenced a shift in the checkstand product mix.

Among items that are making greater inroads at checkstands: batteries, film,

Continued on page 11

Who decides on the checkstand?

(Percent who said position is "very involved" in checkout area merchandising)

	HQ respondents	Store-level respondents
Headquarters positions		
Director of merchandising	33%	13%
Buyer	17	13
Vp/director of operations	10	10
President/owner	3	13
District/regional manager	10	7
Merchandise manager	10	7
Executive vp/vp	—	7
General merchandise manager	3	3
Vp-purchasing	3	—
VP-marketing	3	—
Other HQ positions	10	7
Store level positions		
Store manager	63	60
Head cashier/clerk	10	17
Assistant store manager	3	17
Department manager/ front end manager	7	10
All other store-level posts	—	3

Source: *Drug Store News* survey

TRENDS

Continued from page 9

razor blades, videotapes, books and magazines.

Rite Aid, in many of its retrofitted stores, has put all its battery, film, razor blade and condom inventory on a pegboard behind the cashier service counter. Although shrink curtailment was the original concern, Gerry Cardinale, vp-merchandising, said the improved exposure at checkout has improved sales beyond expectations.

"It's easier to see, and almost every customer goes to the checkout," Cardinale observed.

At its supermarket-style checkouts, Rite Aid favors the high-margins and fast turns of imported toys at under a dollar (displayed countertop in 12-piece shippers), and candy and gum.

For its part, Harco Drugs has spurred a 100 percent increase in razor blade sales at checkout, after replacing a small Gillette razor display with a larger one at its service counter. The Alabama chain also installed a 4-foot candy bar section. And it has started to display popular battery configurations, 2-packs of Eveready and Duracell, at racks at the end of the service counters. With their 34 percent margin on promotion, batteries are the most profitable item at checkout, Charles Reinhart, Harco's director of merchandising, told *Drug Store News*.

"You have to be competitive and [batteries] are just a natural pick-up item. Like [cigarette] lighters, they move real well," Reinhart said.

Another category that has paid its way at Harco since it

Continued on page 12

Checkstand merchandising study

Products wanted at checkout all year long

(Percentage of total respondents: 15 most-named products)

Candy/gum	63%
Film	25
Cigarettes/tobacco	23
Batteries	20
Razors/razor blades	20
Books/magazines	15
Lip balm	15
Cold products/cough drops	10
Cigarette lighters	7
Novelty items/trend items	7
Snacks	7
Aspirin	7
Allergy products	5
Soft drinks/soda	5
Antacids	5

Source: *Drug Store News* survey

Highlights of the study:

- Batteries, razor blades and film are more in demand for the checkout counter by drug chain headquarters and store-level managers. Twenty percent of respondents said they want batteries at the checkout, compared with 14 percent in 1986. Film—wanted at checkout by 10 percent two years ago—is a key checkstand staple for 25 percent this year. Desire for razor blades at checkout jumped from 10 percent in 1986 to 20 percent this year.
- Candy/gum leads again as the product most wanted year-round, by 63 percent, followed by film and cigarettes/tobacco.
- Batteries outstrip all categories as the most profitable, earning the votes of 38 percent of those with batteries at checkstand.
- Novelties/souvenirs, videotapes/cassettes, and greeting cards/calendars/magazines led as new checkout items.
- Freestanding floor displays are used by 73 percent, compared with only 57 percent last year. Dump bins lost ground.

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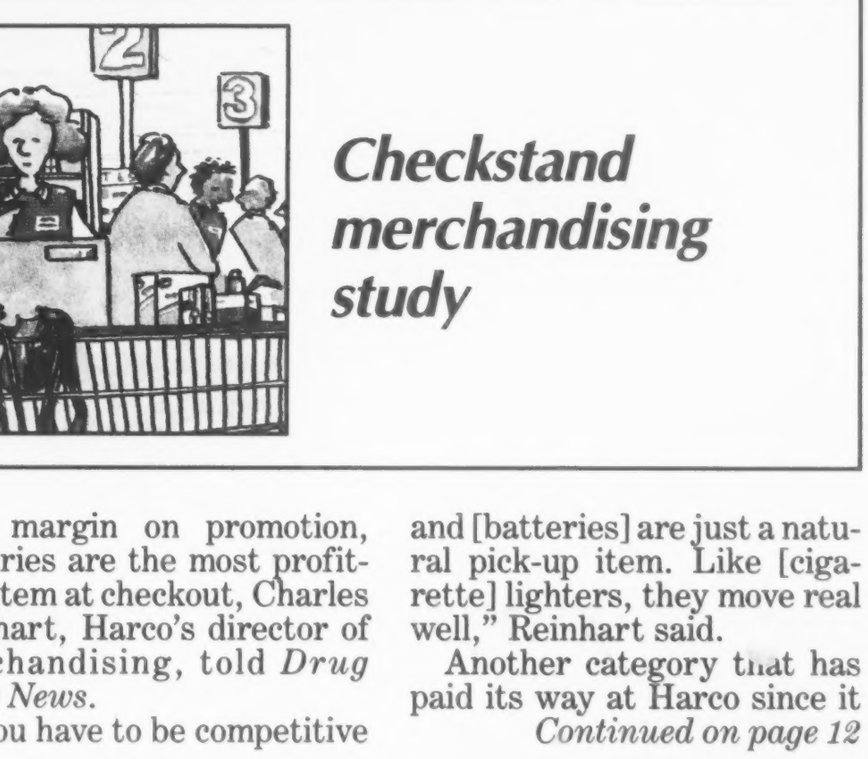

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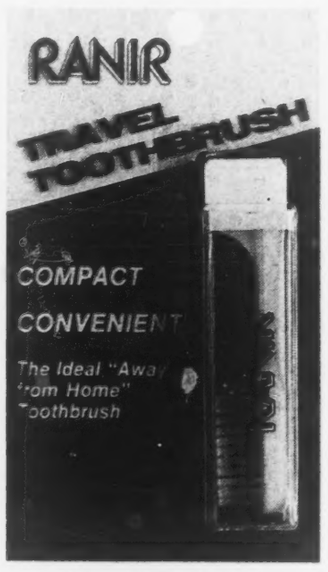

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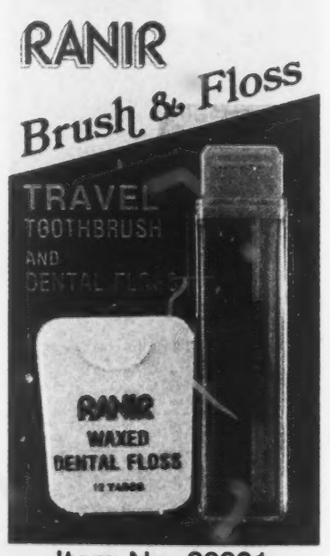

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Item No. 76003

Checkstand merchandising study

Continued from page 11

was put in two years ago are books/magazines. Display allowances help keep them profitable.

Wellby Drug's product displays behind service counters changed a great deal when the chain added movie cassettes for its Guaranteed New Release program, which promises availability of the latest titles.

The clerk-dispensed videos occupy from 40 feet to 100 feet of shelf space. Film was bumped from behind the counter to accommodate them, though film does remain near the checkout in floor and minigondola displays, Jim Bigl, operations specialist, said.

The video program—in all but one or two stores—has generated a strong response, boosting traffic for other categories.

That's not to say the traditional staples aren't holding their own. Candy/gum is a top checkout performer at some Longs Drugs stores for its 25 percent to 35 percent gross margin.

Checkout configurations and front-end merchandising approaches vary widely across the industry.

As at many chains, Wellby's

Continued on page 93, added coverage on page 14

The top ten favored display systems

(Percentage who said they use the system)

Countertop displays	82%
Cigarette racks	80
Freestanding floor displays	73
Candy/gum racks	70
Vertical displays	62
Magazine racks	62
Bins for dumping	47
Clip strips	43
Wire racks	42
Horizontal displays	40

Source: *Drug Store News* survey

Most preferred products for seasonal display

(Five products named "most wanted" checkstand items for each season)

Winter	
Lip balm	27%
Cold products/cough drops	25
Ice scrapers	13
Novelty/trend items	7
Candy/gum	5
Spring	
Novelty/trend items	17
Candy/gum	12
Lip balm	10
Garden gloves/seeds/garden supplies	8
Allergy products	7
Summer	
Suntan products	45
Sunglasses	12
Film	5
Batteries	3
Books/magazines	3
Fall	
School supplies	27
Candy/gum	13
Novelty/trend items	12
Lip balm	8
Film	5

Source: *Drug Store News* survey

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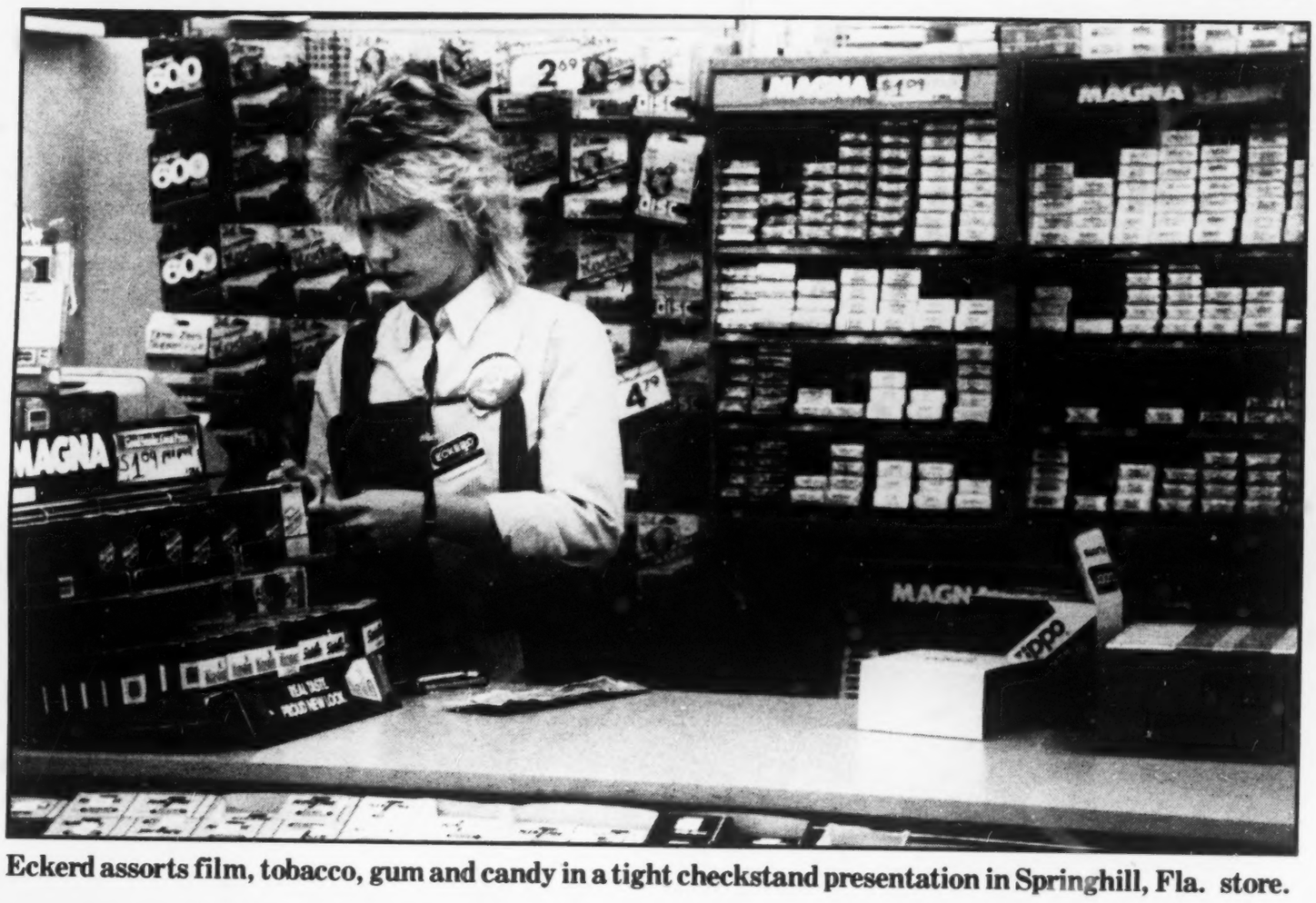
TRENDS

Checkstand merchandising study



Eckerd assorts film, tobacco, gum and candy in a tight checkstand presentation in Springhill, Fla. store.

Retailers rate most profitable checkout categories

	No. of respondents who carry product (out of 60 respondents)	Percent ranking it no. 1 in profitability
Batteries	29	38%
Candy/gum	30	13
Film	27	15
Sunglasses	22	18
Cigarettes	27	4
Giftware/jewelry	11	9
H&BA trial sizes	19	5

Source: *Drug Store News* survey

Batteries pack profit punch at drug store checkstands

Batteries pack the most profit punch at the checkout, headquarters respondents to the *Drug Store News* Checkstand Merchandising Survey, said by a wide margin.

Among those who sell batteries at checkout (29 of the 30 headquarters respondents), 38 percent named batteries as most profitable. Last year, they were judged fourth most profitable, following candy/ gum, lip protectors and nail clippers.

Candy/gum, while carried by all 30 chains, was judged most profitable by only 13 percent.

Sunglasses—the twelfth-ranking category in 1987—ranked much higher this year; 18 percent named it most profitable at the checkstand.

Film also improved its ranking to be among the top four. Fifteen percent judged it most profitable.

Cigarettes, carried by 27, were named by only 4 percent; that compares with 9 percent who ranked tobacco most profitable in last year's survey.

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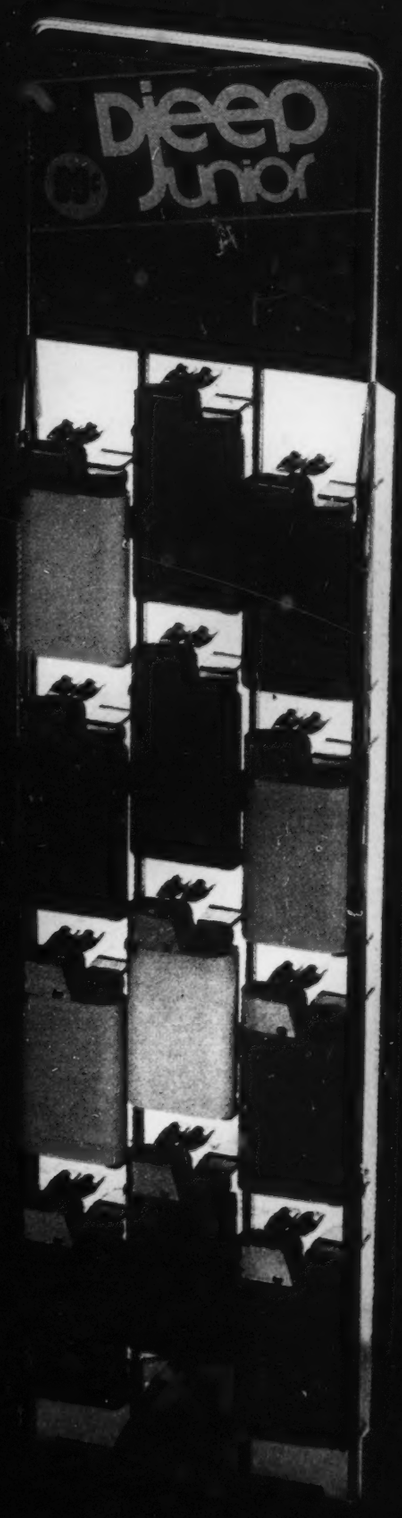


Factors considered "very important" for choosing checkstand products

(Percentage of total respondents)

Criteria	Response
Impulse purchase potential	92%
Quick turnover	83
Broad consumer appeal	75
High gross margin	67
Sales per square foot	50
Reduced theft risk	40
Items of excellent value	30
Display allowances	23
Availability of vendor display	22
Items on sale	17

Source: *Drug Store News* survey

New products gain checkout space

(Fifty-three percent of respondents placed new products at the checkout in the past year; percentage of those who placed new products in each category)

Novelties/souvenirs	19%
Videotapes /cassettes	10
Greeting cards/calendars/magazines	10
Home test kits	10
Jewelry	6
Health products/diet products	6
Flea collars/dog collars	6

Source: *Drug Store News* survey

Checkstand merchandising study

Experimentation spurs use of freestanding floor displays

Retailers' attempts to address the growing ranks of impulse shoppers have given birth to wide-ranging experimentation in point-of-purchase displays. These help explain why freestanding floor displays have gained in use at the checkstand, according to *Drug Store News*' Checkstand Merchandising Study.

Among total respondents at headquarters and stores, 73 percent said such displays are used at the checkout. That was the third-highest response level; countertop displays were named by 83 percent and cigarette racks by 80 percent.

In comparison, freestanding displays were ranked last year in the eighth position, named by 57 percent.

Dump bins posted the biggest drop from 1987, falling to 47 percent from 63 percent.

New cigarette displays were popular, including RJR-Nabisco's four-and-five-sided displays, and new wire racks.

Yet respondents otherwise saw little novelty emerging in display systems: 93 percent said they are not aware of new or modified displays being offered.

Continued from page 12

typical front end is a combination of a service-counter and "quick check" or supermarket-style checkout system. Many Longs Drug stores front their supermarket-style checkouts with three-sided endcaps, a store-level source reported.

Shoppers Drug Mart's checkout configuration, known as the "open U", puts a register on each leg of a U-shaped counter. The U's closed part faces inside the store. Baskets of lip balm, blades and film are often displayed on the counter, Stan Thomas, senior executive vp-marketing, said. Shoppers Drug Mart also devotes prime space to candy on the 10-foot-long service counter.

Harco and Austin Drugs in New York use only the service counter or "broad-bench" checkouts. Austin has decided recently to unclutter its front. Batteries, for example, have gone in-line. And promotional displays of cigarettes have also been phased out, although cigarettes are still sold behind the counter.

The single hard constant at checkstands is product performance—marked by impulse appeal, high margins and rapid turns.

Austin has begun to mount countertop displays of several of the hottest items being advertised in the chain's circulars.

Decision making

Checkstand strategy setting varies widely by chain as well. For instance, Longs store managers have wide leeway in deciding which products to sell up front and how much space to devote to them.

In fact, they don't even have to use the standard "Life Line" fixture, according to one store manager. Store managers at most large chains have far less leeway.

At Wellby, store managers are consulted, but decisions are left to category buyers and district managers.

At Harco, a committee of buyers and merchandise managers develops checkstand planograms. Products are evaluated in 4-foot increments on the basis of profits and turns.

Shoppers Drug Mart's franchisee-owners receive planogram guidelines from headquarters, and are allowed to modify them.

The single hard constant at checkstands is product performance—marked by impulse appeal, high margins and rapid turns. Every year, more products claim to have these characteristics, and drug chain managers can't afford to ignore their potential.

Many would agree with Welby's Bigl on how to handle this vital territory: "We are constantly shifting our front-end merchandise to provide the best profits and turns. If you get stale and you don't look at those things, you're going to lose your business."

Impulse items most often displayed on endcaps near checkouts

(Percentage of total respondents)

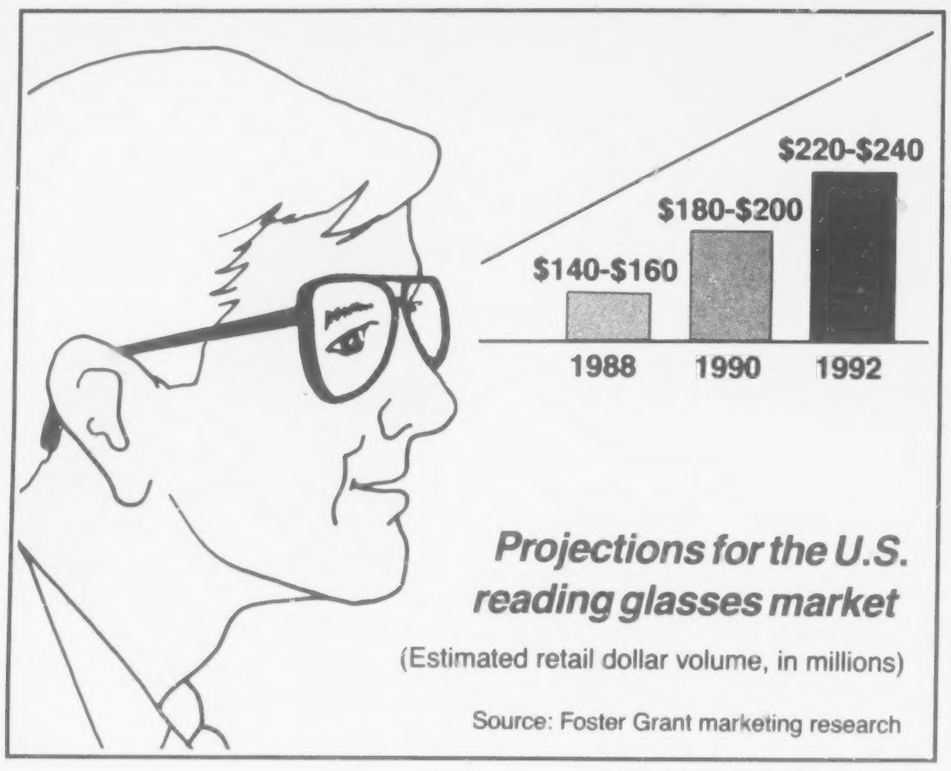
Seasonal products	53%
H&BAs	33
Advertised specials	30
Promotional items	23
Sale and new merchandise	20
Candy/gum	13
Batteries	12
Cookies and snacks	10

Source: *Drug Store News* survey

ALITY FILM PROCESSING
3.19
Sunday is Half Price Prints Day
Now you can see your favorite movies, slides & prints on your VCR
VIDEO TRANSFER

At LaVerdiere's, Gardiner, Maine, the checkstand is filled with high-margin, fast-turn products, and has signs promoting big-ticket film-to-videotape transfer and photofinishing services.

TRENDS



New Yorkers see clearly as retailers grab share of reading glasses sales

NEW YORK — Consumers in the Big Apple are reading with greater clarity since the state became the nation's last to permit the sale of OTC magnification reading glasses.

Drug stores in the state have been cashing in on the $150 million category since Nov. 30, when the law prohibiting the sale of reading glasses was repealed.

Reading glasses correct a vision condition called presbyopia, a loss of lens elasticity that leads to a decline in focusing ability. The condition is a natural part of the aging process. Before this law was passed, New York baby boomers typically spent $60 to $100 on prescription reading glasses. Now, they can buy a pair for about $12 to $15.

Consumer awareness and acceptance has boosted the category here, making it a new trading area for manufacturers. "With 7 million people in New York over the age of 40, it's an important market for us," said Howard Brauner, vp-advertising of Magnivision.

Robert Camelier, executive vp/general manager for Pennsylvania Optical said, "For so many years we were locked out of the New York area, but business is coming in daily now."

Foster Grant's director of optical marketing, Ron Desjardins, agreed. "New York has been quite a boon for the category since the law was passed."

Most drug chains in New York started promoting and selling reading glasses during the Christmas season. Buyers said they are pleased with the way consumers' awareness has increased category sales.

At the 47-store Carls Drug Co., based in Rome. N.Y., Scott Kersey, reading glass buyer, said category sales have definitely grown.

"Promotion is the key to increased sales here," Kersey said. Carls advertised the category in preprinted circulars with a $4.00 coupon off Carls' everyday discounted price of $12.88 per pair.

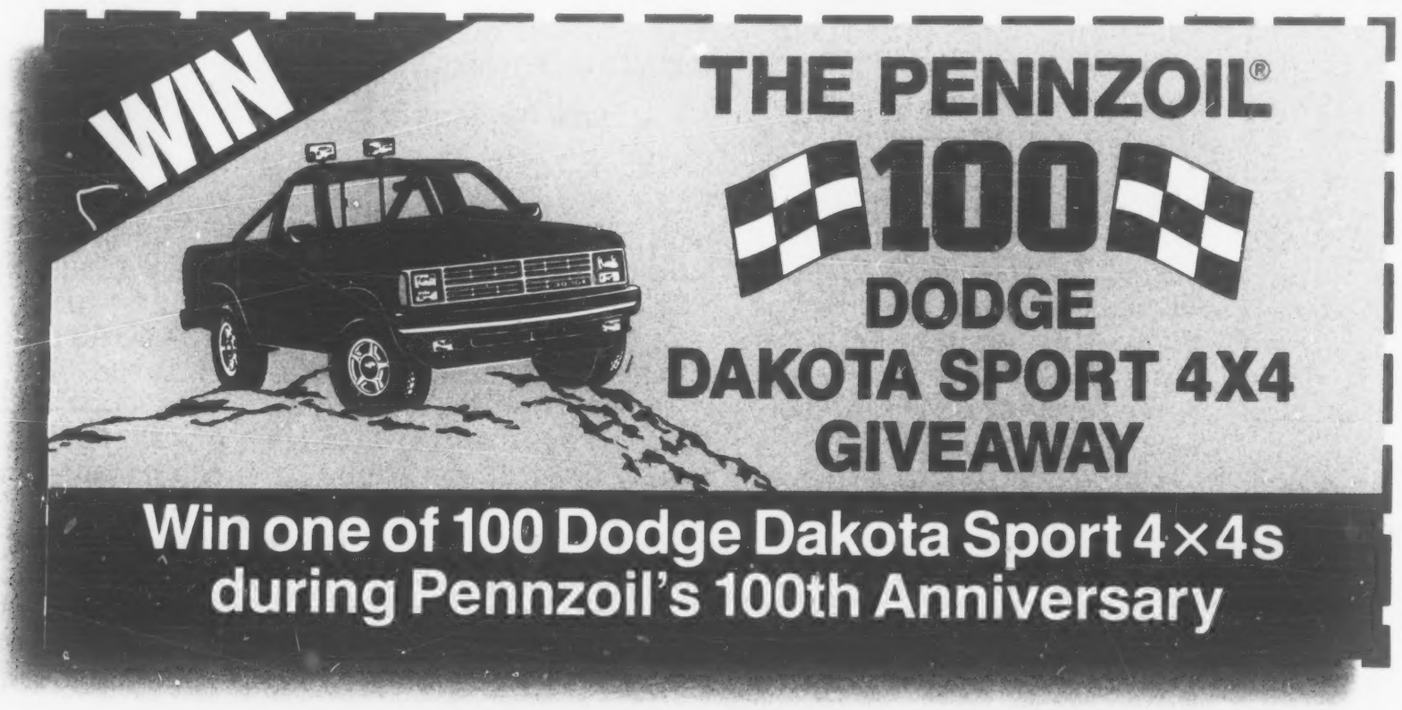
Carls is also considering additional promotions of giving away a free paperback book, or a free eyeglass case, or $2.00 worth of related accessories like nose and temple pads, with every pair.

Pete Rienzi, buyer at Austin Drugs, said its nine N.Y. stores started promoting in January, when the chain ran a $5-off coupon in its circulars. The coupon proved a success, and "they're selling like crazy," Rienzi said.

Kinney Drugs, Gouverneur, N.Y., has run two reading glass ads in its circulars since December. The category has been well received, said Elaine Mattot, buyer, in the chain's 24 New York drug stores.

Not all chains have promoted the category in their New York ads. Rite Aid, with more than 250 stores in New York, is one example. The chain's logo appeared in a full-page ad Magnivision ran in New York newspapers.

Walgreens' store logo was also printed in the Magnivision ad. Eleven New York Walgreens stores have been selling readers since Dec. 1. "Consumers are very interested in the category; the introduction went well," said spokesperson Maryellen Kari. Astrid Caropelo, buyer at Genovese, said consumers have responded "extremely well" at its 74 New York stores. The chain merchandises a free-standing rack in the pharmacy area, because "the consumer needs room and time to stand, try on different styles, and make a decision."



GET BIG PROFITS.
FROM THIS LITTLE COUPON.

IT'S OUR BIGGEST GIVEAWAY EVER!
DURING PENNZOIL'S 100TH BIRTHDAY CELEBRATION!

THE "PENNZOIL® 100" GIVEAWAY
Get ready for heavy traffic. Fast turns. And big profits!

Because Pennzoil, America's #1 best selling motor oil and #1 best selling motor oil for light trucks*, is presenting the biggest vehicle giveaway in motor oil history. Throughout all of 1989!

ONE HUNDRED DODGE DAKOTA SPORT 4X4 PICKUPS!
And while we're giving your customers a chance to win, we're giving YOU a chance to profit big from our generous "party favors," like:

GREAT ADVERTISING/POP SUPPORT
Our year-long "Pennzoil 100" Giveaway will be supported by exciting TV (featuring Indy winner Rick Mears during our Spring Flight, and golfing legend Arnold Palmer during our Fall Flight) and Radio.

You can also receive free attention-grabbing POP materials that include Ceiling Danglers, Shelf Arrows, Buttons, Case Cards, and Window Posters, just by ordering them from your Pennzoil representative.

During this year-long promotion, you'll even be supported by Pennzoil's excellent Quality Campaign and 100th Anniversary Campaign, which are running on Network and Cable television throughout 1989.

GREAT TRADE DEALS:
During this promotional period, you'll receive:
- 28¢ per gallon allowance on all approved Pennzoil cased quart products with an ad promoting Pennzoil by price and grade, plus 2 week, off-shelf display (minimum order: one pallet per delivery location)
- 10% Bonus Co-op Accrual Allowance for using the pre-set World Class Protection® graphic in your ads
- 10% Bonus Co-op Accrual Allowance when Pennzoil's pre-set giveaway promotional artwork is used in your ads

SPECIALLY-MARKED ON-PACK LABELS
You'll never hassle with coupons. Because your customers will find Entry Forms on the back of specially-marked bottles of quality Pennzoil Motor Oil *all year long*.

PROMOTIONAL/ADVERTISING DATES: APRIL 1ST-MAY 31ST (SPRING) SEPTEMBER 1ST-OCTOBER 31ST (FALL)
Contact your Pennzoil® Representative today.
And start getting *big* profits—from our little coupon.

*1988 NPD Automotive

PENNZOIL World Class Protection®

Customer loyalty! Retailers report **90% repeat** purchase rate.
Herpecin-L®
Cold Sore Lip Balm. *"It Works!"*
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

Rite Aid tries to fend off proposed UMW cuts

SHIREMANSTOWN, Pa. — Rite Aid Corp. is still negotiating with the United Mine Workers after the UMW proposed measures to curb prescription costs for its members.

Chuck Conaway, vp-third party administration for Rite Aid, said that UMW approached the chain with plans to reduce its provider network and cut costs.

"The program they presented was complex," said Conaway. "UMW had a list of the top moving prescription items and proposed discounts off AWP for those in some instances up to 80-percent off AWP for some generics."

Rite Aid fills prescriptions for UMW members in West Virginia, Pennsylvania, Virginia and Kentucky. The chain fills over $6 million in prescriptions annually for UMW members at 101 Rite Aid locations in West Virginia alone, according to Conaway.

The chain, unhappy with the proposed cuts, placed ads aimed at consumers in West Virginia periodicals and newspapers.

The ads describe the financial constraints which would be put on Rite Aid if the new reimbursement level were to take effect. "Calculating the weighted average and the type of volume, the proposed cuts would mean a 20-percent reduction in Rite Aid's profit," said Conaway.

Conaway said the ads have produced a favorable response from consumers. "We get calls on a daily basis and questions at the store level," he said. "Customers are saying that they like their Rite Aid pharmacy and our pharmacists and don't want to lose the ability to have their prescriptions filled with us."

"In some rural areas, Rite Aid stores are the only pharmacies in the area," said Conaway. "We are reassuring customers that we are trying to work things out with UMW. The last thing we want to do is inconvenience our customers."

Talks continue with UMW representatives, according to Conaway. "We are willing to work with them on a more competitive reimbursement situation, but we will not be able to accept the terms they have proposed. All indications show they seem to be willing to cooperate with us," he said.

1988 drug sales remained flat; total prescriptions filled up only 0.8 percent

NEW YORK — The 1988 U. S. prescription drug market remained relatively flat compared to 1987. According to Pharmaceutical Data Services, the Phoenix-based marketing company, total number of prescriptions filled increased 0.8 percent, to just under 1.5 billion.

The company reports that although new prescription activity was up slightly in 1988, it was counterbalanced by a slight decrease in refill prescriptions. Price increases of prescription drug products throughout the year caused a rise of 7.5 percent in overall sales volume for the year.

PDS ranks the following as the top pharmaceutical companies, based on retail sales: (1) MSD, (2) SKF, (3) Upjohn, (4) Pfizer, (5) Glaxo Pharm., (6) Lilly, (7) Wyeth, (8) Marion, (9) Syntex, and (10) Rugby.

Top 10 products based on U. S. retail prescriptions sales

(At acquisition cost)

1. **Zantac** (Glaxo Pharm.)
2. **Tagamet** (SKF)
3. **Cardizem** (Marion)
4. **Naprosyn** (Syntex)
5. **Xanax** (Upjohn)
6. **Capoten** (Squibb)
7. **Tenormin** (ICI)
8. **Ceclor** (Lilly)
9. **Procardia** (Pfizer)
10. **Vasotec** (MSD)

Source: Pharmaceutical Data Services

McK's '89 trade show set for July in Hawaii

WAIKALOA, Hawaii — McKesson Drug Co.'s annual trade and travel show will run July 6-16 at the Hyatt Regency here. About 450 vendors will exhibit.

Innovations allow NY pharmacies to communicate with deaf persons

NEW YORK — Pharmacies in the state will now be able to communicate with deaf and hearing impaired persons over special telecommunications devices which so far have been installed in 38 pharmacies.

Using the machine, a deaf or hearing impaired patient can use this telephone hook up to communicate directly with participating pharmacies.

The project has been pioneered by the Pharmaceutical Society of the State of New York and is being promoted by the Pharmaceutical Education and Public Relations Foundation, Inc.

The equipment costs a participating pharmacist about $300 to install, according to Herb Mindlin, executive director and chairman of the foundation. "The equipment is self contained and easy to use," said Mindlin. "Now deaf or hearing impaired patients can order the medication they need without relying on the help of someone else."

Mindlin said the foundation will also prepare directories of participating pharmacies which will be distributed to support agencies working with deaf and hearing impaired persons.

Another service available through participating pharmacies will be braille directions on prescriptions for blind patients.

Washington Perspective

Ken Rankin

Pharmacists' response to Medicare drugs: lukewarm

When they uncorked their new rules governing pharmacy reimbursement under the new Medicare catastrophic Rx program, Health Care Financing Administration (HCFA) officials expected 90 to 95 percent of the nation's pharmacists to agree to participate.

They were shocked, therefore, by the chilly response from many chains and independent pharmacies. Indeed, HCFA is finding that 35 to 40 percent of all retail pharmacists don't want any part in participating in the new Medicaid out-patient drug plan, according to their figures.

That's despite the fact that reimbursement rates have been set to encourage widespread participation by the pharmacists. Under the program's formula, participating pharmacies receive a dispensing fee of $4.50 per Rx, while non-participating drug stores receive only $2.50.

One reason for the lackluster enthusiasm for the new Medicaid Rx plan: third-party "burn-out" by many pharmacists after a frustrating quarter century of dealing with draconian Medicaid reimbursement schemes and claims submissions.

In return for giving up $2.00 per Rx in reimbursement, non-participating pharmacies avoid all Medicare record-keeping and claims submission responsibilities.

APhA sings the 'black box' blues

Those little "black boxes" that HCFA promised to provide to all pharmacies participating in the new catastrophic Medicare drug program will be designed primarily to transmit Rx claims from drug stores electronically. But will the government-supplied point-of-sale (POS) data transmitters also serve as an electronic early warning system to protect Medicare patients from adverse drug reactions and drug interactions?

HCFA officials have suggested that they will perform these duties. Officials at the American Pharmaceutical Association, however, don't believe it.

Indeed, APhA officials concluded, without extensive testing it would be doubtful "that the POS system being planned by HCFA [would be able] to function as a clinical data resource for pharmacists."

Thomas E. Menighan, APhA state liaison, suggested that participating Medicare pharmacists may not even be able to rely on the HCFA system for dependable claims transmission.

Proposing that "the Medicare Catastrophic Coverage Act, with the initials MCCA, be referred to as 'Mecca,'" Menighan suggested that "every time a provider keys a prescription order into the computer, they face East, hit the ENTER key, and pray!"

Here come OTC 'morning after' birth control pills

Well, not exactly here, but in Denmark government authorities have announced plans to allow non-prescription sales of ethinylestradiol and levonorgestrel—a so-called "morning after" oral contraceptive currently approved for marketing there on a Rx basis.

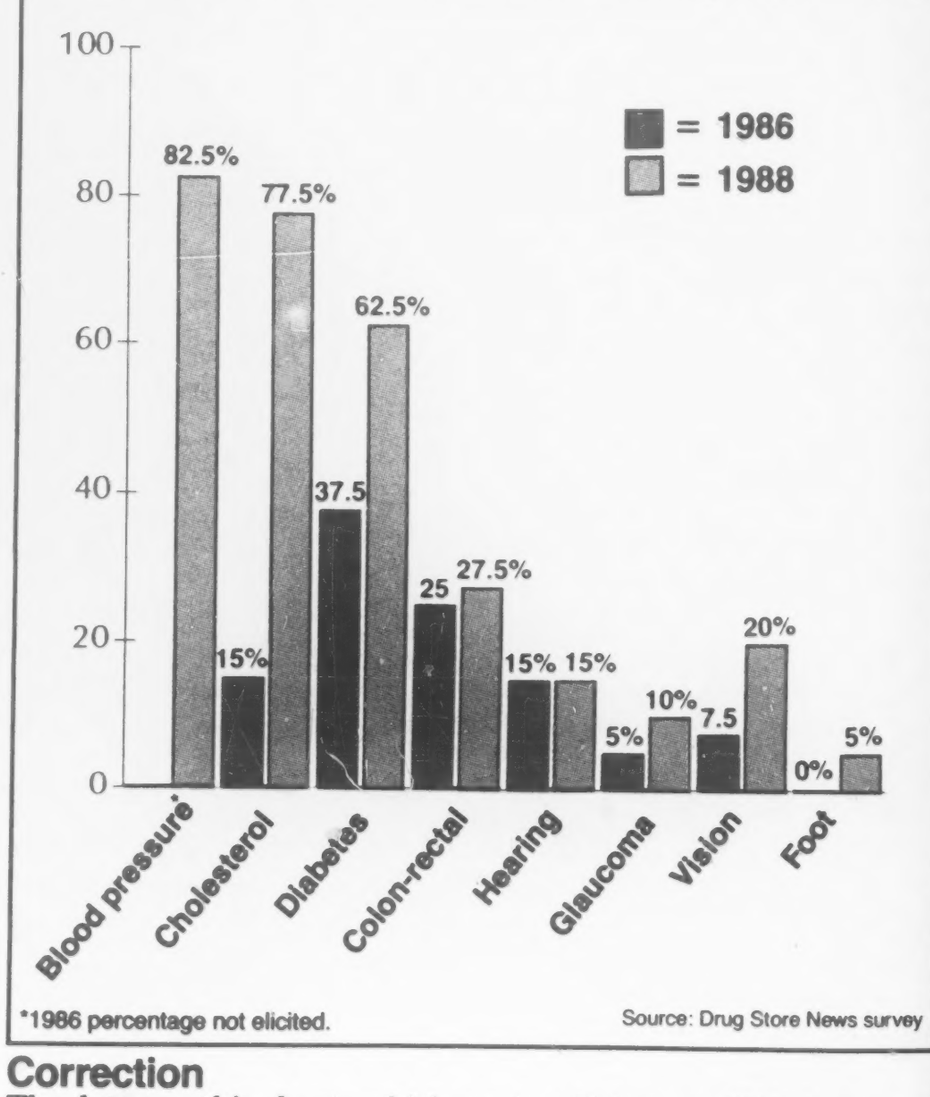
The controversial day-after oral contraceptive is one of more than 80 prescription products earmarked for OTC status last month by the Danish drug regulatory agency. Will the U. S. follow suit? Don't count on it. Indeed the manufacturer of the birth control drug has threatened to pull it off the Danish market if the product is switched to OTC status as planned.

. . . and how about narcotic lollipops?

The Food and Drug Administration is debating whether to approve the marketing of fentanyl, a potent narcotic sedative/analgesic, in an unusual new dosage form: lollipops! The idea: give the lollipops to children facing surgery as an alternative to an injection. The plan, however, has drawn fire from public interest groups who argue that such a dosage form would promote diversion and abuse.

Chains step up screening programs

(Percentage of chains responding that offered screenings: 1986 vs. 1988)



*1986 percentage not elicited.

Source: Drug Store News survey

Correction

The dates on this chart, which ran in a February 20th feature of *Drug Store News/Inside Pharmacy's* Health Screening Survey, were inadvertently transposed. Above is the corrected chart.

Pregnancy test kits

Brand	Time period for results	Day test can be used (after missed period)	Time of urine collection	Package size
First Response	10 minutes	day of	anytime of day	one test, two tests
First Response 5 Minute kit	5 minutes	day of	anytime of day	one test, two tests
EPT Stick	30 minutes	one day after	first a.m.	one test, two tests
EPT Plus	30 minutes	one day after	first a.m.	one test, two tests
Advance	30 minutes	one day after	first a.m.	one test
Clearblue	30 minutes	day of	first a.m.	one test, two tests
Q-Test	15 minutes	day of	first a.m.	one test, two tests
Answer Plus	30 minutes	one day after	first a.m.	one test
Answer Plus 2	30 minutes	one day after	first a.m.	two tests
Answer	60 minutes	three days after	first a.m.	one test
Daisy 2	30 minutes	one day after	first a.m.	two tests
Fact Plus	5 to 8 minutes	day of	first a.m.	one test
Clearblue Easy	3 minutes	day of	first a.m.	one test, two tests

Source: Product manufacturers and packaging; revised from *1989 Pharmacist's Reference to Patient Counseling*

Pregnancy, ovulation test kits get dependability boost from counsel

NEW YORK — Although at-home pregnancy testing kits have become more accurate and simpler to use, a recent *New England Journal of Medicine* report stated that women using the products still risk a one-in-10 chance of getting a false reading.

The report said the problem may not lie with the kit itself, but with consumers who fail to use them properly. Widespread improper use of home pregnancy testing kits concerns health experts, since tests which incorrectly show a woman is not pregnant, when in fact she is, may result in a delay in prenatal care, or abortion.

Consultation between pharmacists and patients is one way to increase patient compliance.

Drug Store News/Inside Pharmacy's pharmacy checkstand study (see story p. IP23) found that many chains merchandise diagnostic testing kits near the pharmacy so that customers can have easy access to a pharmacist's knowledge about those products.

As ease of usage and accuracy increases, more and more women are relying on the kits to find out if they are pregnant, or in the case of ovulation test kits, to predict the time of ovulation for conception. As of October 1988, pregnancy test kit sales reached $62 million in drug stores, a sales growth of over 27 percent from last year, A. C. Nielsen reported.

Sales for the kits continue to climb in drug stores. At Raley's, a 53-superstore chain in Sacramento, Calif., pregnancy and ovulation test kit sales have jumped approximately 15 percent since last year, "although this may be a conservative estimate," said Don Byrom, buyer-merchandiser. He attributes this increase to the surge in popularity of all home testing products.

"The public now has the availability to immediately track what's happening with their bodies, even before a trip to the doctor," said Grace Weidner, pharmaceutical buyer for the New York-

Continued on next page

Warehouse movement ranking of in-home pregnancy test kits[1]

(By units moved, with percentage change from Jan. '88-Jan. '89)

1. First Response single 71%
2. EPT Plus single . . . (20)
3. Advance . . . . . (7)
4. Q-Test single 4
5. Answer Plus single . 25
6. Clearblue double . . . (8)
7. EPT Stick single . . . 176
8. Answer single . . . . . (8)
9. First Response double 118
10. EPT Plus double . . (1)
11. Daisy-2 20
12. Fact Plus . . . . . *
13. Fact . . . . . (63)
14. Clearblue Easy . . . . . *
15. Q-Test double . . . . (17)
16. Answer Plus double *
17. EPT Stick double . . . *
18. Answer double . . . (56)
19. First Response 5 Minute kit . . . . . *

Total category 14

1. Units moved through wholesale and chain drug warehouses

*New product

Source: Pipeline Research, a service of the IMS Consumer Products Division, Totowa, N. J.

Celebrating 140 Years of Service to Pharmacy

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For value & reliability . . . past, present & future

E. FOUGERA & CO., A division of Altana Inc., Melville, NY 11747

Circle #25 on Reader Service Card

11,000,000 DIABETICS ARE WAITING FOR YOUR RECOMMENDATION!

Sugar Free

Tricodene

Cough and Cold Medication

- Non Alcoholic
- Non Narcotic

Temporarily relieves coughing, sneezing, running nose and watery eyes due to allergies and colds. Pleasant cherry flavor. May be used by individuals with high blood pressure, heart disease, thyroid disease and diabetes.

Diabetics don't go to the supermarket or the discount stores when they need advice or medication. *They go to a Drug Store!* And they look for a Drug Store that caters to their needs.

Tricodene Sugar Free and **Mycinette Lozenges** are the only nationally distributed brands in the Cough and Cold Category that do not contain sugar.

So be sure that when your diabetic customer needs it . . . You have it!

Sugar Free

Mycinettes

Triple Action Lozenges

- **Analgesic:** 15 mg. Benzocaine gives fast pain relief action.
- **Antibacterial:** Aids in cleansing the sensitive areas.
- **Soothing:** Helps reduce the harsh dry symptoms of sore throat.

TO ORDER . . . CONTACT YOUR LOCAL DRUG WHOLESALER

OR CONTACT >

PFEIFFER PHARMACEUTICALS
1 ALTA ROAD, WILKES BARRE, PA 18702
PHONE 1-800-523-2123

Circle #16 on Reader Service Card

The #1 choice in stores stocking as OTC cold sore recommendation.

Herpecin-L®

Cold Sore Lip Balm. *"It Works!"*

Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

Circle #17 on Reader Service Card

Continued from page IP20
based Genovese chain. "This is especially important with the ovulation kits, if women want to become pregnant," she said.

One West Coast chain saw category sales increase because of a heightened awareness on the part of the consumer. This retailer is waiting to see a "shakedown" in the category. "The category is going through what condoms went through when we took them out from behind the pharmacy counter," she said. "Women are much less apt to ask for the product now," she noted, and they can compare kits and ask the pharmacist's advice.

Most drug stores incorporate manufacturer's rebates and on-package redemption coupons in promoting the category. Genovese's Weidner said the chain runs at least one pregnancy or ovulation test kit twice a month in store circulars, and the on-package rebates and coupons have helped boost sales there.

Weidner feels most women are not brand-conscious when buying pregnancy test kits: they tend to buy whatever they see on ad. "Ovulation kits may be bought differently, usually on the advice of a physician," she said.

The chain recently incorporated a $5.00 savings from Tambrands' First Response pregnancy test kit in its store circular. The sale price of $9.99 for the unit was advertised less a $2.00 instant on-pack coupon and $3.00 mail-in rebate. Cashiers at this chain are told to remove the on-pack instant coupon from the box if the woman overlooks it.

Medic Discount Drug Stores, a 20-chain store based in Cleveland, may advertise more than one kit each month in its circulars. Gerald Zlotnik, vp, said sales for pregnancy and ovulation test kits are up "at least 10 percent" over last year. "People are more comfortable now with the new technology they offer," he said.

Brands like EPT, First Response, Advance and Fact Plus sell well in the 3-foot section at Medic Discount, and they're kept in front of the pharmacy with the diabetes testing kits, Zlotnik said. He also noted single test kits sell better at the chain because of their $8.00 to $9.00 price points.

"We don't offer cents-off coupons on the kits in our ads, but the manufacturers offer instant on-pack coupons and mail-in rebates that we list," Zlotnik said.

Raley's also ties in manufacturer rebates and peel-off coupons when they advertise the category four times a year in its circulars. However, Byrom said, "Women look for accuracy, ease of use, and quickness when buying pregnancy kits. Price may not be a big factor. If a kit carries an unfamiliar name with a lower price, women would probably not buy it."

Ovulation test kits

Brand	Days of tests	Time period for results	Predicts ovulation how far in advance
First Response	6	20 minutes	12 to 24 hours
Answer	6	30 minutes	24 to 36 hours
Ovu Quick	6, 9	4 minutes	24 to 40 hours
Clearpan	10	30 minutes	24 to 36 hours
Ovu Date	One month supply, including 28 disposable thermometers, chart and instructions (basal body temperature method)		

Source: Product manufacturers and packaging, revised from *1989 Pharmacist's Reference to Patient Counseling*

Warehouse movement ranking of in-home ovulation test kits[1]

(By unit volume, with percentage change from Jan. '88 to Jan. '89)

1. First Response 11%
2. Q-Test Predictor ....(1)
3. First Response Refill(13)
4. Answer ..... *
Total category 2

1. Units moved through wholesale and chain drug warehouses

*New product

Source: Pipeline Research, a service of IMS Consumer Products Division, Totowa, N. J.

The first one-step, one-piece pregnancy test.
No messy test tubes or urine collection. Your customer simply places this absorbent tip in her urine stream and then replaces the cap.
In 3 minutes, a blue line will appear in the large window if she's pregnant. If no line appears, she's not.
It's 99% accurate in laboratory testing. And it's the only test with a control window to show her the test is complete.
Introducing CLEARBLUE Easy™
Other tests say they're easy, but there's nothing like CLEARBLUE EASY. Just look at the chart. It's the only one-step, one-piece pregnancy test. CLEARBLUE EASY gives your customer her answer in 3 minutes.
When you recommend new CLEARBLUE EASY, you offer your customer the easiest, fastest pregnancy test she can buy. And to assure her the test is complete, in 3 minutes a line appears in the control window. Questions? She can call the TalkLine at 1-800-223-2329.
Brand | Number of Steps | Number of Pieces
e.p.t. Stick | 6 | 4
First Response | 5 | 5
Advance | 7 | 5
Q-Test | 7 | 5
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Clearblue Easy and fan device are trademarks of Unipath LTD.
CLEARBLUE Easy™
IT'S THE EASIEST
WHITEHALL LABORATORIES, A HEALTH CARE DIVISION OF AMERICAN HOME PRODUCTS CORPORATION

Circle #18 on Reader Service Card

Compact Counter Display Pack (12s) takes only 2½" of shelf space.
HERPECIN-L®
Cold Sore Lip Balm. *"It Works!"*
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

Circle #17 on Reader Service Card

INSIDE PHARMACY

Consultation carries over to checkstands

Our exclusive study shows some interesting trends driving merchandising decisions at pharmacy checkout counters

NEW YORK — Drug store retailers are using prime selling space at pharmacy checkout counters in ways, not always profit-driven, that often parallel the ongoing movement towards retail pharmacists consulting with patients.

Indeed, one of the three items merchandised most regularly there isn't a product at all.

According to a recent *Drug Store News/Inside Pharmacy* survey of checkstand merchandising, some of the most regularly available items at the pharmacy checkout counter include vitamins, lip balms, free educational literature, cough and cold products, and diagnostic at-home testing kits (diabetic, pregnancy and ovulation).

But when pharmacists were asked to narrow their choices of pharmacy checkstand merchandise to three items, they were vitamins, lip balms and free educational literature. Cough and cold products and diagnostic at-home kits ranked fourth and fifth.

For purposes of the study, the "checkout counter area" is defined as the area in front of and adjacent to the pharmacy department, including endcaps directly facing the pharmacy and pharmacy checkout area.

Realizing that pharmacists recently ranked as the number-one trusted professionals, according to a Gallup Poll, many operators are moving items closer to the pharmacy where they can benefit from a pharmacist's recommendations.

According to the study, almost one-third of the pharmacists thought the pharmacist was "very important" in selling items featured in the pharmacy checkstand area. The majority, 62 percent, thought the pharmacist was only "somewhat important;" 10 percent said he/she was "not important at all."

One Midwest pharmacy director exemplified other retailer's feelings when he said that "the pharmacist is a highly trusted professional. . . giving the customer a great deal of confidence."

Top 10 products merchandised on endcaps

1. Cough-cold remedies
2. Batteries
3. Free educational literature
4. Film
5. Diagnostic at-home test kits
6. Trial sizes
7. Candy/gum
8. Diet aids
9. Novelty/trend items
10. Sunglasses

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

Factors affecting checkstand product selection

(Percentage of respondents naming factors "very important"*)

Impulse purchase potential	71%
Broad consumer appeal	57
High gross margins	57
Inventory turns	52
Sales per sq. ft.	38
Reduced risk of theft	24
Items of excellent value	19
Items on sale	14
Display allowances	10
Availability of display material	10

*Responses add up to more than 100 percent due to multiple answers

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

Factors affecting checkstand product selection

(Percentage responding factors were "somewhat important"*)

Display allowances	86%
Availability of display material	67
Sales per sq. ft.	52
Inventory turns	48
Items of excellent value	48
Broad consumer appeal	43
Items on sale	43
Reduced risk of theft	38
High gross margins	33
Impulse purchase potential	29

*Responses add up to more than 100 percent due to multiple answers

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

Products carried at typical pharmacy checkstand location*

(Ranked by percentage of respondents)**

Vitamins	62%
Lip balms	48
Free educational literature	43
Cough-cold	29
Diagnostic at-home kits	24
Candy/gum	14
Novelty/trend items	14
Batteries	14
Condoms	14
Film	14
Medical ID bracelets	10
Travel sizes	5
Diet aids	5
Sunglasses	0
Nail clippers	0

*Adds up to more than 100 percent due to multiple answers

**Respondents were asked to pick top three products

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

Availability of product at pharmacy checkstands

(Percentage responding product is "regularly available"*)

Free educational literature	62%
Diagnostic at-home kits	62
Lip balms	62
Cough-cold	52
Vitamins	52
Medical ID bracelets	43
Condoms	33
Trial sizes	14
Batteries	14
Candy/gum	14
Diet aids	14
Nail clippers	5
Film	5
Novelties and trend items	5

*Adds up to more than 100 percent due to multiple answers

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

Types of displays used at the pharmacy checkstand

(Percentage of respondents using said displays*)

Countertop displays	90%
Professional literature rack	71
Freestanding floor displays	67
Gravity feed displays	57
Bins for dumping	52
Wire racks	48
Horizontal displays	43
Vertical displays	38
Candy/gum	29
Condom rack	29
J-hooks adjacent to register	24

*Adds up to more than 100 percent due to multiple answers

Source: *Drug Store News/Inside Pharmacy* Pharmacy Checkstand Study

But not all retailers wanted to see pharmacists used for consultations and recommendations. Some told *Drug Store News/Inside Pharmacy* that, while they realized that pharmacists' recommendations were important, pharmacists are usually too busy to take time with patients who need help selecting products.

On the other hand, more than half of the pharmacists surveyed said they encourage the person who operates the cash register (other than the pharmacist) to consult on merchandise found in the pharmacy department checkstand area. Many said their pharmacy clerks are given special training to sell and deal with customers' questions on OTC merchandise. Others said that some diagnostic at-home test kit manufacturers offer training in the use of their products.

Merchandising the pharmacy checkstand

The survey showed that merchandising tactics varied greatly in the pharmacy checkstand area. Although cross-merchandising is common in many drug retail outlets, according to the survey, some items, such as batteries (Presumably excluding hearing aid batteries—Ed.), nail clippers and sunglasses, are usually "never available" in the average pharmacy checkout area.

Other products are only "occasionally available" at the pharmacy checkstand area. Trial sizes, novelties, trendy items, diet aids and candy were among this group.

The survey showed a variety of displays merchandising the pharmacy checkstand area, but there was no question that countertop displays were retailers' favorite (chosen by 90 percent of respondents). Professional literature racks and freestanding floor displays were ranked second and third respectively. One of the least popular displays were J-hooks adjacent to the register.

One interesting area of display was for family planning, specifically, condoms. When condoms first came out from behind the counter several years back, it was mainly because of manufacturer-supplied displays. According to the survey, it is apparent that those displays are not used much anymore, with retailers preferring to display condoms on J-hooks, directly on gondolas.

According to the survey, many pharmacists seasonally change merchandise at the pharmacy checkstand.

Products heavily promoted in the winter include lip balms, cough-cold products, batteries and aspirin. Spring merchadise usually includes diet aids, allergy medication, sunglasses, diagnostic test kits, and candy. Summer usually brings out the suntan-sun block products, candy and hydrocortisone products. In the fall it is not uncommon to see vitamins (specifically vitamin C), holiday items and diagnostic kits featured.

Endcaps

Endcaps have long been thought of as prime selling areas for impulse items. According to pharmacists surveyed, endcaps are heavily used during cough and cold season.

The importance of the pharmacy department to the store was also noted by the pharmacists' responses to what they prefer to merchandise on endcaps. They said that one of the hottest items merchandised year-round on endcaps facing pharmacy departments is free educational literature, followed closely by condoms. Other items usually found on there include diagnostic at-home tests, batteries, medical ID bracelets, candy-gum and novelty and trendy items.

In many stores, the importance of the pharmacy department as a health center is further emphasized by the use of blood pressure machines, electronic scales, and free-standing computer kiosks, flanking the prescription department, that dispense health and prescription product information at the touch of a screen.

Will things ever change?

The respondents were asked if they had complete autonomy over the pharmacy department checkstand area, how would they change it? Some of their responses were:

- Add another register to speed up sales,
- Better rotation of impulse items,
- More OTC trial sizes,
- Improve seasonal mix of merchandise,
- Charge vendors for prime locations,
- Improve the consultation-waiting area, and
- Add a wellness center.